

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:2028
ANSWERED ON:16.03.2005
SALE OF REVENUE STAMPS FROM POST OFFICES
Solanki Shri Bhupendrasinh Prabhatsinh

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the post offices located in various places of the country have stopped selling the revenue stamps;
- (b) if so, whether the Government proposes to take any steps to re-start the selling thereof; and
- (c) if so, by when and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) No, Sir. However, in places where the State Government is not making payment of commission to the Department of Posts at the rates prescribed in the Sixth Meeting of the Standing Committee of State Secretaries of Stamps and Registration decisions of which were circulated in October 2003 - replenishment of stock of revenue stamps, where exhausted, has not been possible.

A copy of the relevant portion of the Highlights of the Proceedings of the 'Sixth Meeting of the Standing Committee of State Secretaries of Stamps & Registration' dated 31-10-2003 is given in the Annexure.

(b) & (c): Sale of revenue stamps has not been suspended by the Department of Posts. It is for the State Government to 'exercise their right to use or not to use the channel provided by the Department of Posts'.

ANNEXURE

RELEVANT PORTION OF THE HIGHLIGHTS OF THE PROCEEDINGS OF THE SIXTH MEETING OF THE STANDING COMMITTEE OF STATE SECRETARIES OF STAMPS AND REGISTRATION HELD ON 31 OCTOBER 2003.

Item 4. Rate of Commission on sale of stamps and stamp papers by state governments to the Department of Posts.

The Standing Committee considered the position of the Department of Posts as contained in their D.O. Letter No. 7-1/92-PO dated 20 June 2003 that the rate of discount to the Department needed to be raised to 10% within three years (instead of five years as had been decided in the fifth meeting), and be set at 3%, 6% and 10% in the successive years. While noting that even a discount of 10% covered only about 50% of the cost that the Department incurs on the sale of stamps, the representatives of the State government observed that these were high and if implemented, may force the state governments to use other channels. The Committee, in this regard, took note of the provision in the existing Indian Stamp Act, 1899 which permitted the state governments to make such arrangements as they considered appropriate for the sale of stamp and stamp papers.

Upon deliberations by the Committee of the implications arising out of the position taken by the Department of Posts, it took the view that the Department of Posts may set the rates of discount at 3%, 6% and 10% (with flexibility to consider the rates at the end of the three years) but not rates that are in excess of 3%, 6% and 10% even in those states which have agreed to a larger discount, and the state governments may exercise their right to use or not to use the channel provided by the Department of Posts. It was further decided that in order to enable the states to take a considered view in the matter, the Department of Posts would make available to NIPFP a copy of the costs that are involved in extending this facility which will be circulated to all states.